



Patrick W. Henning, Director



Arnold Schwarzenegger
Governor

April 13, 2009
22M:384:ch:9014

Ms. Madalyn Blake, Director
Community Development and Housing Department
Verdugo Consortium
1255 S. Central Avenue
Glendale, CA 91204

Dear Ms. Blake:

WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the Verdugo Consortium's (Verdugo) Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

This review was conducted by Ms. Carol Hammond from November 3, 2008 through November 7, 2008.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by Verdugo with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with Verdugo representatives, service provider staff, and Verdugo youth participants. In addition, this report includes the results of our review of selected case files, Verdugo's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

We received your response to our draft report on February 3, 2009, and reviewed your comments and documentation before finalizing this report. Because your response adequately addressed finding 3 cited in the draft report, no further action is required at this time. However, this issue will remain open until we verify your implementation of your stated corrective action plan during a future onsite review. Until then, this finding is assigned Corrective Action Tracking System (CATS) number 90049. Additionally, because your response did not adequately address findings 1 and 2 cited in the draft report, we consider these findings unresolved. We request that Verdugo provide the Compliance Review Office with additional information to resolve the issue that led to the findings. Therefore, these findings will remain open and are assigned CATS number 90047 and 90048.

BACKGROUND

The Verdugo was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. Very little of the WIA funds allocated for PY 2008-09 have been expended. For PY 2007-08, Verdugo was allocated \$646,322 to serve 94 adults participants; \$579,659 to serve 208 youth participants; and \$630,149 to serve 153 dislocated worker participants.

For the quarter ending September 30, 2008, Verdugo reported the following expenditures for its WIA programs for PY 2007-08: \$646,322 for adult participants; \$279,778 for youth participants; and \$82,729 for dislocated worker participants. In addition, Verdugo reported the following enrollments for PY 2007-08: 63 adult participants; 89 youth participants; and 84 dislocated worker participants. We reviewed case files for 22 of the 144 youth participants enrolled in the WIA program as of November 3, 2008.

PROGRAM REVIEW RESULTS

While we concluded that, overall, Verdugo is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the following areas: Youth Council composition, grievance/complaint procedures and Individual Service Strategy (ISS). The findings that we identified in these areas, our recommendations, and the Verdugo proposed resolution of the findings are specified below.

FINDING 1

Requirement: 20 CFR 661.335(b) (6) states, in part, that membership of the Youth Council must include parents of eligible youth and members who represent the Job Corps, if a Job Corps Center is located in the local

the local area represented by the Youth Council.

Observation: We found that the Verdugo Youth Council does not have a parent of an eligible youth or a representative from the Job Corp. Verdugo staff stated that the parent of the eligible youth has been vacant for about a year. A Job Corps representative is listed on the roster of the Verdugo WIB. However, the required Job Corps representation is not listed on the Youth Council roster.

Recommendation: We recommended that Verdugo provide the Compliance Review Office (CRO) with a corrective action plan (CAP) including a timeline for filling these vacancies and an updated copy of the Youth Council roster once the vacancies are filled.

Verdugo Response: Verdugo stated that it has been very difficult to find a representative who is available for the Verdugo Youth Council meetings. Glendale Youth Alliance (GYA) staff has appointed Aline Kaimatlian, a current participant and student attending Glendale Community College, and employed by GYA on a part time bases. Mrs. Kaimatlian, Aline's mother, has also volunteered to be the parent representative of the Verdugo Youth Coalition. This will meet the youth and parent representative requirement for the Youth Council.

State Conclusion: Based on Verdugo's response, we cannot resolve this issue at this time. While Verdugo provided information on how they filled the vacancy for a parent of an eligible youth, Verdugo did not identify how it plans to fill the Job Corp vacancy on the Youth Council. We again recommend that Verdugo provide CRO with a with a corrective action plan (CAP), including a timeline for appointing a representative from the Job Corps. In addition we recommend that Verdugo provide CRO a revised Youth Council roster demonstrating the above appointment. Until then, this issue has been assigned CATS number 90047.

FINDING 2

Requirement: 20 CFR Section 667.600(a)(b) states, in part, that each direct recipient of WIA funds must establish and maintain a procedure for grievances and complaints.

Directive WSD08-4 states, in part, that a copy of a written description of the local grievance and complaint procedure shall include notification that the participant has the right to file a grievance or complaint at any time within a year of the alleged violation; instructions and timeline for filing a grievance or complaint; and notification that the participant has the right to receive technical assistance. Finally, a copy of an acknowledgement of receipt of the local grievance and complaint procedure shall be signed by the participant and included in each participant's case file.

Observation: We observed that eight of twenty-two case files did not contain a copy of a signed acknowledgement of receipt of the grievance and complaint procedures.

Recommendation: We recommended that Verdugo provide CRO with a CAP stating how it will ensure that all active participants sign an acknowledgement of receipt of Verdugo's grievance and complaint policy and procedures and maintain a copy in all active participants' case files. In addition, we recommended that Verdugo provide documentation of the acknowledgement of receipt by the eight identified participants to CRO.

Verdugo Response: GYA has taken responsibility of replacing all grievance and complaint procedures with the most updated forms. A procedure has been set in place by GYA staff to assure all participants in the program sign the correct paperwork. Each participant is given a copy of the grievance and complaint forms that they sign during the intake process.

State Conclusion: Verdugo's stated corrective action should be sufficient to resolve this issue. However, Verdugo still needs to provide a copy of the acknowledgement of receipt by the eight participants referenced above. In addition, we cannot close this issue until we verify, during a future onsite visit, Verdugo's successful implementation of its stated corrective action. Until then, this issue has been assigned CATS number 90048

FINDING 3

Requirement: 20 CFR Section 664.215 states, in part, that all youth participants must be registered to participate in youth programs. Registration is

the process of collecting information to support a determination of eligibility.

WIA Section 129(c)(1)(A-B) states, in part, that eligible youth are to be provided an objective assessment. Additionally, a service strategy will be developed for each youth participant that takes into account the assessment.

Observation: We found that four of twenty-two youth participant's Individual Service Strategy (ISS) were completed prior to enrollment and registration into the WIA program.

Recommendation: We recommended that Verdugo develop a CAP, including a timeline, to ensure that the ISS's are not completed until after the youth is determined eligible and then enrolled/registered into the WIA program.

Verdugo Response: GYA has set a procedure in place to assure all participants complete the ISS forms after the enrollment date. Staff have been instructed and trained on the timeline of each component for the WIA program to ensure that this does not happen in the future.

State Conclusion: The Verdugo's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify, during a future onsite visit, Verdugo's successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 90049.

We provide you up to 20 working days after receipt of this report to submit your response to the Compliance Review Office. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than May 11, 2009. Please submit your response to the following address:

Compliance Monitoring Section
Compliance Review Office
722 Capitol Mall, MIC 22M
P.O. Box 826880
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review.

Ms. Madalyn Blake

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April 13, 2009

It is Verdugo's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain Verdugo's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact me at (916) 653-7541 or Ms. Carol Hammond at (916) 653-6633.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar", with a large, stylized initial "J" and "M".

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Jose Luis Marquez, MIC 50
Daniel Patterson, MIC 45
Georganne Pintar, MIC 50
Larry Scaramella, MIC 50